Central Government, for the purpose of tax exemption on the payment received by an employee on his retirement under such Scheme, is required only if the voluntary Retirement Scheme was implemented prior to 1.4.1992. In the case of a Voluntary Retirement Scheme implemented after 1.4.1992, the approval of Central Government is not required, if such scheme is framed in accordance with the prescribed guidelines. The details of applications received from Central Public Sector Companies during last three years are as under:

	Year 1990	Year 1991	Year 1992
Received	21	15	3
Approved so far	15	7	1
Rejected so for	5	4	1
Pending	1	4	1

Punjab Government's request for waiving 'C' forms

3977. SHRI JAGIR SINGH DARD: Will the Minister of FINANCE be pleased to state:

(a) whether Punjab Government has approached the Central Government for waiving 'C' forms in case of transactions between Punjab and Jammu and Kashmir; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) It was suggested that the Central Sales Tax Act, 1956, be amended to insert a proviso in Section 8(4)(a), so that the Assessing Authority, if satisfied in case of inter-State Sales to Jammu & Kashmir that the 'C' forms cannot be produced, may accept secondary evidence to his satisfaction, subject to submission of appropriate indemnity bond by the selling dealer, to safeguard the Government revenue.

Purchase of flat's by State Bank of Indore

3978. SHRI RAM NARESH YADAV: Will the Minister of FINANCE be pleased to state:

(a) the number of flats purchased from builders by the State Bank of Indore in Sahibabad, in Uttar Pradesh and in Calcutta during the last year;

(b) what are the details of their locations;

(c) what is the cost of each flat;

(d) whether it is also a fact that the Bank authorities have paid the amount for these flats before their registration;

(e) if so, what are the reasons therefor;

(f) what action has been taken against the officers/sanctioning authorities for making the payment; and

(g) whether it is also a fact that these flats are lying vacant after allotment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (g) The information is being collected and will be laid on the Table of the House.

Improving the services of Banks

3979. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that foreign banks operating in the country and far ahead of the Indian banks in the matter of deposits, credit growth etc;

(b) if so, what are the reasons therefor;

(c) whether it is also a fact that Government have taken seps to bring Indian banks at par with foreign banks operating in the country; and

(d) if so, what are the results achieved and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The growth of deposits and credit of foreign banks operating in the country has been higher than that of Indian scheduled commercial banks (excluding RRBs).

(b) The performance of foreign banks in India vis-a-vis public sector banks is not comparable because the branches of foreign banks are located in metropolitan cities and port towns whereas the branches of public sector banks are spread all over the country including semi-urban and rural areas. Moreover, foreign banks have world wide net works of branches which enable them to attract more deposits from non-resident Indians.

(c) and (d) Government had appointed a Committee under the Chairmanship of Shri M. Narasimham to examine the existing structure of the financial system and its various components and to make recommendations for improving the efficiency and effectiveness of the system. The Committee have recommended measures for removal of the rigidities and weaknesses which have developed in the financial system so that it plays its role in ushering in a more efficient and vibrant economy. Some of the recommendations which do not require legislative amendments have since been implemented. It is proposed to implement other recommendations in a phased manner.

Profits of Nationalised Banks

3980. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the profitability of nationalised banks has sharply gone up during the past three years;

(b) if so, what are the details of their gross and net profits for the last three years;

(c) whether any survey undertaken by the Banking Department has established that the increase in liquidity, lending rates and rise in coupon rates are the principal factors responsible for rise in profitability of the banks;

(d) whether it is also a fact that a large number of borrowers have complained about the lack of credit extended by the banks;

(e) whether the profits earned by banks are to be ploughed back in banks to increase their capital adequacy norms; and

(f) if so, what shall be its affect on the availability of liquidity to borrowers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The net profits of nationalised banks have shown an upward trend during the last 3 years The details of net profits (bankwise) for the last 3 years is given in the Statement (*See* below)

(c) The major factors contributing to the increase in the bank's profitability were the enhancement of service charges, containment of growth in establishment expenses, better yield on advances and investment and improved cash management.

(d) Reserve Bank of India have no information in this regard.

(e) and (f) In terms of the provisions of Section 17 of the Banking Regulation Act, 1949, every banking company incorporated in India has to transfer to its reserve fund a sum equivalent to not less than 20 per cent of balance of profit every year (be-